

DT 03-111

COVISTA, INC.

**Petition for Authority to Provide
Local Telecommunications Services**

Order Nisi Granting Authorization

O R D E R N O. 24,183

June 9, 2003

I. PROCEDURAL HISTORY

On May 9, 2003, Covista, Inc. (Covista) filed with the New Hampshire Public Utilities Commission (Commission) an Application to Provide Competitive Local Exchange Carrier (CLEC) service in New Hampshire, pursuant to N.H. Admin. Code Rule Puc 1300. The Commission is authorized to allow the providing of switched and non-switched local exchange telecommunications services by more than one provider in all telephone franchise areas served by a telephone utility that provides local exchange service and has more than 25,000 access lines, pursuant to RSA 374:22-g.

Covista has been certified to provide intraLATA toll service in the State of New Hampshire under IXC No. 26697 since December 10, 1997. The Commission's Consumer Affairs division reports there have been no complaints registered against Covista.

Covista, a New Jersey corporation, has no subsidiaries. Its parent company is Covista Communications, Inc. a publicly traded firm. Covista is authorized to provide local exchange

service in 14 states and the District of Columbia but has not yet initiated service in any of those jurisdictions, according to the applicant.

Pursuant to Puc Chapter 1300, an applicant's petition for certification as a CLEC shall be granted when the Commission finds that (1) all information listed in Puc 1304.02 has been provided to the Commission; (2) the applicant meets standards for financial resources, managerial qualifications, and technical competence; and, (3) certification for the particular geographic area requested is in the public good.

The Commission Staff (Staff) has reviewed Covista's petition for compliance with these standards. Staff reports that the Company has provided all the information required by Puc 1304.02 and that the information provided supports Covista's assertion of financial resources, managerial qualifications, and technical competence sufficient to meet the standards set out in Puc 1304.01(b)(1), (e), and (f). Staff further reports that adding Covista to the choices available to New Hampshire telecommunications consumers appears to be in the public interest.

Covista requests a waiver of the surety bond requirement in Puc 1304.02(b). In support, Covista submitted a sworn statement that it does not require deposits or advanced payments from customers. Staff recommends granting the waiver.

Covista also requests a waiver of Puc 1304.02(a)(6) which requires the filing of a U.S. Geological Survey-based map of the areas in which service will be offered. Covista avers that it will offer service only in those territories served by Verizon New England d/b/a Verizon New Hampshire (Verizon). Maps of that territory are already on file with the Commission. Staff recommends granting the waiver.

II. COMMISSION ANALYSIS

We find that Covista has satisfied the requirements of Puc 1304.01(a)(1) and (2) and, further, that authorization is in the public good, thus meeting the requirement of Puc 1304.01(a)(3). In making this finding, as directed by RSA 374:22-g, we have considered the interests of competition, fairness, economic efficiency, universal service, carrier of last resort, the incumbent telephone company's opportunity to realize a reasonable return on its investment, and recovery by the incumbent of expenses incurred. Because Covista has satisfied the requirements of Puc 1304.01(a), we will grant the petition.

Given that Covista will not charge any customer deposits, we find reasonable Covista's request for a waiver of the requirement it post a surety bond to cover refund of deposits and advanced payments. We also find reasonable Covista's request for a waiver of the requirement that it file maps delineating the

territory in which it intends to provide service. We will grant both requests.

As part of its petition, Covista states that it will charge access rates no higher than Verizon's effective access rates as filed in Tariff 85. The Commission will monitor access rates as the intraLATA toll and local exchange markets develop, in order to avoid any inhibition of intraLATA toll competition in contravention of the Telecommunications Act of 1996. (Pub.L.No. 104-104, 110 Stat. 56, *codified* at 47 U.S.C. §151 *et seq.*)

Pursuant to Puc 1304.02(a)(7), applicants for CLEC certification agree to adhere to all state laws and Commission policies, rules and orders. We take this opportunity to draw attention to two rules in particular. Puc 1306.01(8) and Puc 1306.01(10), respectively, describe Enhanced 911 (E911) and Telecommunications Relay Service (TRS) as part of the minimum basic service that every CLEC must provide. Pursuant to Puc 1306.01(c), authorized CLECs are responsible to collect and properly remit the E911 surcharge, currently set at 42 cents per access line per month. Pursuant to Puc 1306.01(b), authorized CLECs are also responsible to collect and remit TRS charges, currently set at 4 cents per access line per month.

As new competitors enter the telecommunications market, we recognize that New Hampshire's 603 area code encounters constantly increasing demand. Accordingly, we will require that

Covista request and use numbers responsibly and conservatively, and we invite Covista to explore alternative mechanisms to use existing numbers as efficiently as possible. In approving this application, we require Covista to comply with our orders on number conservation, including Order No. 23,385, issued January 7, 2000, and Order No. 23,392, issued January 27, 2000, as well as further orders issued by the Commission concerning this matter.

Based upon the foregoing, it is hereby

ORDERED NISI, that conditioned upon the effective date below, Covista's petition for authority to provide switched and non-switched intrastate local exchange telecommunications services in the service territory of Verizon, is GRANTED, subject to all relevant Commission rules and orders; and it is

FURTHER ORDERED, that Covista's request for a waiver of the map filing requirement in Puc 1304.02(a)(6) is GRANTED: and it is

FURTHER ORDERED, that Covista's request for waiver of the surety bond requirement per Puc 1304.02(b) is hereby GRANTED subject to the condition that Covista not collect any deposit, prepayment or advance payment prior to the provision of service; and it is

FURTHER ORDERED, that Covista will notify the Commission within ten days of making their first facility-based commercial call in any exchange that has not already been opened to a "Fresh Look" opportunity as ordered in Docket DE 96-420; and it is

FURTHER ORDERED, that no less than ten days prior to commencing service, the Petitioner shall file with the Commission a rate schedule including the name, description and price of each service, in accordance with N.H. Admin. Rules, Puc 1304.03(b); and it is

FURTHER ORDERED, that Covista shall cause a copy of this Order Nisi to be published once in a statewide newspaper of general circulation, such publication to be no later than June 19, 2003, and to be documented by affidavit filed with this office on or before July 3, 2003; and it is

FURTHER ORDERED, that all persons interested in responding to this Order Nisi shall submit their comments or file a written request for a hearing on this matter before the Commission no later than June 26, 2003; and it is

FURTHER ORDERED, that this Order Nisi shall be effective July 9, 2003 unless the Petitioner fails to satisfy the publication obligation set forth above or the Commission

provides otherwise in a supplemental order issued prior to the effective date; and it is

FURTHER ORDERED, that, should the petitioner fail to exercise the authority granted herein within two years of the date of this order, the authority granted shall be deemed withdrawn, null, and void.

By order of the Public Utilities Commission of New Hampshire this ninth day of June, 2003.

Thomas B. Getz
Chairman

Susan S. Geiger
Commissioner

Nancy Brockway
Commissioner

Attested by:

Claire D. DiCicco
Assistant Secretary